

237641



## *The Public Service Commission State of South Carolina*

Jocelyn G. Boyd  
Chief Clerk/Administrator  
Phone: (803) 896-5133  
Fax: (803) 896-5246

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*Chairman*  
David A. Wright, Second District  
*Vice Chairman*  
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Elizabeth B. "Lib" Fleming, Fourth District  
G. O'Neal Hamilton, Fifth District  
Nikiya "Nikki" Hall, Sixth District  
Swain E. Whitfield, At-Large

Administrative Department  
Phone: (803) 896-5100  
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May 31, 2012

James S. Eakes, Esquire  
Allen and Eakes  
Attorneys at Law  
Post Office Box 1405  
Anderson, South Carolina 20622

RE: Application of JACABB Utilities, LLC to Establish Water Rates for JACABB Utilities, LLC and Approval of Water System Asset Purchase Agreement with TRRCC Utilities, LLC to Serve Aldersgate Subdivision in Pickens County

Dear Mr. Eakes,

The Public Service Commission of South Carolina (the Commission) has received the Application of JACABB Utilities, LLC to Establish Water Rates for JACABB Utilities, LLC and Approval of Water System Asset Purchase Agreement with TRRCC Utilities, LLC to Serve Aldersgate Subdivision in Pickens County. S.C. Code Ann. Section 58-5-240 requires a public utility to give the Commission and the Office of Regulatory Staff thirty days' notice of its intention to file an application for approval of a new rate, toll, rental, charge, etc. The Commission has not received a letter from JACABB Utilities, LLC indicating the Company's thirty days' notice of intent to put into operation a new rate, toll, rental, charge or classification. I am returning the Application to you, pursuant to S.C. Code Ann. Section 58-5-240(A).

If you have any questions regarding this letter, please do not hesitate to contact me.

Sincerely,

Handwritten signature of Jocelyn G. Boyd in cursive script.  
Jocelyn G. Boyd

Enclosure:

c: Office of Regulatory Staff

ALLEN AND EAKES  
ATTORNEYS AT LAW  
P.O. BOX 1405  
ANDERSON, S. C. 29622

RICHARD K. ALLEN, JR.\*  
JAMES S. EAKES\*

THOMAS ALLEN (1881-1963)  
RICHARD K. ALLEN (1921-1982)

TEL. (864) 224-1681  
114 WEST ORR STREET  
ZIP 29625  
FAX (864) 231-8411

May 4, 2012  
VIA: FIRST CLASS MAIL

\* CERTIFIED CIVIL COURT MEDIATOR

The Honorable Jocelyn D Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, SC 29210

RE: Application of JACABB Utilities, LLC to request to establish water rates for JACABB Utilities, LLC and approval of Water System Asset Purchase Agreement with TRRCC Utilities, LLC to serve Aldersgate Subdivision in Pickens County.

Dear Ms. Boyd:

Please find enclosed, for filing, a copy of Application of Jacabb Utilities, LLC in the above reference matter. I would appreciate your acknowledging receipt of this document by date-stamping the extra copy of this application that is enclosed and returning it to me via first class mail.

By copy of this letter, I am serving the Office of Regulatory Staff and enclose a certificate to that effect. If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

ALLEN & EAKES

*James S. Eakes*  
James S. Eakes

Enclosure

cc: Dukes Scott, Executive Director, ORS  
Stephen R. Goldie, Jacabb Utilities, LLC

**STATE OF SOUTH CAROLINA**

**(Caption of Case)**

**Application of JACABB Utilities, LLC to request to establish water rates for JACABB Utilities, LLC and approval of Water System Asset Purchase Agreement with TRRCC Utilities, LLC to serve Aldersgate Subdivision in Pickens County**

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET**

**DOCKET**

**NUMBER: 2012 - - S**

(Please type or print)

**Submitted by: James S. Eakes**

**SC Bar Number: SC Bar # 1820**

**Address: Allen and Eakes**

**Telephone: 864-224-1681**

**PO Box 1405**

**Fax: 864-234-8411**

**Anderson, SC 29622**

**Other:**

**Email: sheilat@goldieassociates.com**

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

- ☐ **Emergency Relief demanded in petition**      ☐ **Request for item to be placed on Commission's Agenda expeditiously**
- ☐ **Other:**

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input checked="" type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: Amended Applicati	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2012-\_\_\_\_ - S**

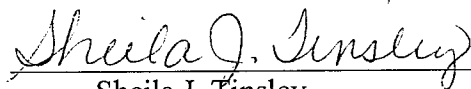
IN RE:

Application of JACABB Utilities, LLC to )  
request to establish water rates for )  
JACABB Utilities, LLC and approval of )  
Water System Asset Purchase Agreement )  
with TRRCC Utilities, LLC to serve )  
Aldersgate Subdivision in Pickens County )  
\_\_\_\_\_ )

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of the  
**Application** by placing same in the care and custody of the United States Postal Service  
with first class postage affixed thereto and addressed as follows:

Dukes Scott  
**Office of Regulatory Staff**  
1401 Main St.  
Columbia, SC 29201

  
\_\_\_\_\_  
Sheila J. Tinsley

Seneca, South Carolina  
This 29 day of May 2012

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2012-\_\_\_\_\_-W**

IN RE:

Application of JACABB Utilities, LLC to	)	
request to establish water rates for	)	
JACABB Utilities, LLC and approval of	)	<b>APPLICATION</b>
Water System Asset Purchase Agreement	)	
with TRRCC Utilities, LLC to serve	)	
Aldersgate Subdivision in Pickens County	)	
_____	)	

JACABB Utilities, LLC (“Applicant” or “Utility”) hereby submits a proposed schedule of water rates and Water System Asset Purchase Agreement for consideration by this Honorable Commission under Vol. 26 S.C. Code Ann. Regs. R.R. 103-743 (Supp.2007). In support of this request, Applicant would respectively show as follows:

- #108-3
1. Applicant is a public utility currently authorized to operate water and wastewater systems under the jurisdiction of the South Carolina Public Service Commission (“Commission”) in Pickens County, as well as certain other counties in this state. Its corporate charter is presently on file with the Commission and an appropriate bond has been posted with same.
  2. Applicant does not have on file approved rates and charges for water service at Aldersgate Subdivision; Applicant therefore requests the Commission approve the Proposed Schedule of Rate and Charges detailed in Exhibit “A”.
  3. The Applicant also seeks approval of an agreement entered into between Applicant and TRRCC Utilities, LLC dated March 1, 2012 (“Agreement”), a copy of

which is attached hereto and incorporated herein by reference as Exhibit "B". Applicant will provide water service to the proposed development pursuant to all of the terms, conditions, rates, and charges set forth in the proposed rate schedule upon Commission approval.

4. Pursuant to this agreement, Applicant proposes to provide water service to the property owners in Aldersgate Subdivision. The Agreement provides, *inter alia*, that TRRCC Utilities, LLC will deliver and execute a Bill of Sale, Warranty Deed, and all required easements to the Applicant for the Aldersgate Subdivision water system. Performance of the Agreement is conditioned upon its approval by this Commission.

5. Applicant submits that the public convenience and necessity will be served by the approval of this Agreement. Applicant further requests that no hearing in this matter is required.

6. Applicant requests the Commission approve the attached "Proposed Schedule of Rates and Charges", Exhibit A.

7. All correspondence and communications regarding this matter should be sent to the undersigned.

WHEREFORE, having fully set forth its Application, Applicant prays that the agreement between Applicant and TRRCC Utilities, LLC dated March 1, 2012, be approved; that the Proposed Schedule of Rates and Charges and Agreement be approved; that a hearing on the within matter be waived or review of the within application and rate schedule be expedited; and that Applicant be granted such other and further relief as the Commission may deem just and proper.

James S. Eakes

James S. Eakes  
Allen and Eakes  
PO Box 1405  
Anderson, SC 29622  
(864) 224-1681

Attorney for Applicant

Anderson, South Carolina  
This 22<sup>nd</sup> day of MAY 2012

709 #353

# EXHIBIT A

## PROPOSED SCHEDULE OF RATES AND CHARGES

for

JACABB UTILITIES, LLC

for providing water utility service in

ALDERSGATE SUBDIVISION  
Pickens County, South Carolina

### 1. Monthly Metered Water Rates

#### A. Monthly Metered Water Rates with no water treatment required:

##### 1) Base charge, includes usage of the first 2000 gallons

Residential	\$ 40.00
Commercial and Other:	
5/8" X 3/4"	\$ 40.00
3/4" meter	\$ 70.00
1" meter	\$ 95.00
1 1/2" meter	\$ 120.00
2" meter	\$ 175.00
3" meter	\$ 245.00
4" meter	\$ 320.00
6" meter	\$ 500.00

##### 2) Usage charge per 1,000 gallons:

2,000 to 5,000 gallons	\$ 4.00 per 1,000 gallons
5,000 to 9,000 gallons	\$ 5.50 per 1,000 gallons
Over 9,000 gallons	\$ 8.00 per 1,000 gallons

#### B. Monthly Metered Water Rates with water treatment required:

At any time should the water quality fall below the limits required by South Carolina Department of Health and Environmental Control and water treatment is required, the following rates will become effective at that time:

##### 1) Base charge, includes usage of the first 2000 gallons

Residential	\$ 80.00
-------------	----------



Commercial and Other:

5/8" X 3/4"	\$ 80.00
3/4" meter	\$ 140.00
1" meter	\$ 190.00
1 1/2" meter	\$ 240.00
2" meter	\$ 350.00
3" meter	\$ 490.00
4" meter	\$ 640.00
6" meter	\$1000.00

2) Usage charge per 1,000 gallons:

2,000 to 5,000 gallons	\$ 5.00 per 1,000 gallons
5,000 to 9,000 gallons	\$ 6.50 per 1,000 gallons
Over 9,000 gallons	\$ 10.00 per 1,000 gallons

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

C. The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. However, the total amount charged to the Utility's affected customers shall not exceed 110% of the cost of the total water measured at all customer meters. Water loss due to leaks and routine system flushing must be accounted for and thoroughly documented by detailing location, timeframe and reason for leak or flushing. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers purchased water charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide such notice by written documentation of an increase by the provider of purchased water justifying the increase in the amount of purchased water charges sought to be passed-through to affected customers. In the event that an increase in the amount of purchased water charges to be passed through to customers rate is found by the Commission to be so justified, JACABB Utilities will then be required to give customers an additional thirty days notice before the increase in the purchased water charges to be passed-through may be put into effect.

**2. Tap and Capacity Fees:**

Tap Fees:

5/8" X 3/4" meter	\$1,350.00
1" meter	\$1,550.00
All other meter sizes – actual cost of meter and installation	

Capacity Fees:

\$1,500 per Single Family Equivalent (SFE)

A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities - 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp 2011), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. For water service to customers not described in R. 61-67, such as irrigation service, the tap fees shall be the same as those for one (1) SFE.

**3. Finance charge for Late Payment:**

1.5% per month will be applied to the unpaid balance of all bills not paid within 25 days of the billing date. (PSC Reg. 103-732.3)

**4. Reconnection Charge: \$35.00**

In addition to any other charges that may be due, a reconnection fee of thirty-five (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

**5. Account Set-up and Other Charges:**

A. New Water Customer Admin Charge: \$25.00

B. Returned Check Fee: \$30.00

C. Late Notice Fee: \$15

D. The Utility will, for the convenience of the owner, bill a tenant or the Home Owners Association in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

## **6. Billing Cycle:**

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

## **7. Extension of Utility Service Lines and Mains:**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

## **8. Cross Connection Inspection Fee:**

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2011), as may be amended from time to time. Such a customer shall annually have such cross connections inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.8 (Supp. 2011), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customers' next bill.

In addition, all new services may be required to install back-flow prevention devices. Customers shall have the back-flow prevention device inspected annually by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.8 (Supp. 2011), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no

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later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customers' next bill.

## EXHIBIT B

STATE OF SOUTH CAROLINA	)	WATER SYSTEM
	)	ASSET PURCHASE
COUNTY OF PICKENS	)	AGREEMENT

THIS WATER SYSTEM ASSET PURCHASE AGREEMENT (hereinafter the "Agreement") is made and entered into this 1st day of March, 2012, by and between TRRCC Utilities, LLC, an association organized and existing under the laws of South Carolina, hereinafter referred to as "Seller", and JACABB Utilities, LLC, a South Carolina limited liability company, hereinafter referred to as "Buyer" or "Utility".

### RECITALS

1. The Seller owns a water system serving the property owners in Aldersgate Subdivision in Pickens County, South Carolina. This water system is hereinafter referred to as the "System".
2. The Seller desires to sell and the Buyer desires to purchase all of the properties, assets, and rights of the Seller in and to the System, subject to the prior approval by the South Carolina Department of Health and Environmental Control ("SC DHEC") and the South Carolina Public Utilities Commission ("PSC").
3. The Seller is willing to sell and to transfer such properties, assets, and rights to the Buyer in consideration of the purchase price set forth in Section Two hereof and in consideration of the Buyer assuming and agreeing to be responsible for the operation and maintenance of the System.

In consideration of the mutual covenants and promises contained in this Agreement, the parties hereto agree as follows:

### SECTION ONE SUBJECT MATTER

Subject to the terms and conditions of this Agreement and the recitals hereinabove, the Seller agrees to sell and deliver to the Buyer, and the Buyer agrees to purchase and to take from the Seller at Closing:

1. All of the properties, assets, licenses and permits, contracts, accounts receivable, and other rights of Seller of every kind and description, real, personal, mixed, tangible, and intangible, wherever situated,

utilized in the operation of the Aldersgate Water System in Pickens County, South Carolina, and as listed on the attached Exhibit "A", which is incorporated herein by reference (the "Assets").

2. At Closing, the Buyer shall assume and be responsible for the maintenance and operation of the System.
3. Up until the Date of Closing, Seller shall be responsible for the continued operation of the System.

## **SECTION TWO** **CONSIDERATION**

At Closing, as consideration for the sale and transfer of the System to the Buyer, the Buyer agrees to pay to Seller the Purchase Price of One and no/100 (\$1.00) Dollar.

## **SECTION THREE** **CONTINGENCIES**

This Agreement is made subject to the following contingencies:

1. This Agreement is specifically conditioned upon, and expressly subject to, the final approval of this sale prior to Closing by both the SC DHEC and the South Carolina PSC. Utility will apply to the PSC as soon as practicable for the issuance of an order approving the transfer to the Utility. All terms and conditions contained herein are subject to Utility receiving said Order from the PSC.
2. The conveyance of the Assets free and clear of all liens and encumbrances.
3. Buyer being able to obtain all permits and licenses necessary for the operation and maintenance of the System.

## **SECTION FOUR** **CLOSING**

1. **Closing Date.** Unless the Closing Date is extended by the mutual consent of the parties, the Closing will be held within one hundred and twenty (120) days after the execution of this Agreement, or sooner if the required approvals are obtained and the other conditions and contingencies are met. The parties may mutually agree to extend the Closing Date by entering into an amendment to this Agreement.

2. Closing. On the Closing Date, the following shall occur, subject to the satisfaction of the terms and conditions of this Agreement.

- a. The Seller shall execute and deliver to the Buyer an assignment of leases or rental agreements (if any) affecting the Assets.
- b. The Seller shall execute and deliver a Bill of Sale and/or a Warranty Deed transferring all the Assets of the System to the Buyer free and clear of all liens and encumbrances.
- c. The Seller shall transfer and convey to Buyer right-of-way easements, access easements and such other easements as are necessary for the operation of the System by Buyer.
- d. The Seller shall deliver possession of and access to the System and all of the Assets purchased by Buyer at Closing.
- e. The Closing costs shall be paid by the parties as follows:  
Seller: To pay its own attorney's fees.  
Buyer: To pay its own attorney's fees, any recording fees associated with the Closing and any other acquisition costs which it incurs.
- g. The Seller shall deliver to Buyer at Closing all records pertaining to and necessary for the operation of the System, all records pertaining to the Assets being purchased, and all other information on file regarding the System.
- h. The Seller shall provide an assignment of the right to provide water service to all property owners of the Subdivision.

#### **SECTION FIVE** **SELLER'S REPRESENTATIONS AND WARRANTIES**

Seller represents and warrants to, and agrees with, Buyer as follows:

1. Seller is an association duly organized, validly existing, and in good standing under the laws of South Carolina, with full corporate power and authority to own its property and to conduct the business that it presently conducts.

2. There are no actions, suits, claims, investigations, or legal or administrative or arbitration proceedings pending against or involving Seller, or to Seller's knowledge threatened against it.
3. Until the Closing Seller will continue to operate and conduct the System in the usual, regular, and ordinary manner in all material respects. Seller has no knowledge of any facts or circumstances which would cause Seller to believe that there would be any material adverse changes in the operation of the System or with respect to the Assets being sold prior to the Date of Closing.
4. Seller warrants that it has paid any and all payroll, sales, use, workers' compensation, or other such taxes (to the extent that Seller is obligated to pay any such taxes) that the Seller would owe on or before the date and time of Closing.
5. Seller warrants and represents that the Assets to be transferred are debt free and that, as of Closing, there shall be no liens, encumbrances, or claims of any kind against said Assets to be transferred, and that there are no other parties claiming an interest in said Assets.
6. From the date of this Agreement through the Closing, Seller shall keep all of the Assets in a normal state of repair and operating efficiency, customary in the business.
7. Seller has the legal power and right to enter into and perform this Agreement. The consummation of the transactions contemplated by this Agreement will not violate Seller's By-laws, and, to the best of Seller's knowledge, will not violate any law, statute or regulation to which Seller is subject.
8. All financial statements of the System furnished to Buyer by Seller under this Agreement are true, correct, and complete statements of the financial condition of the System as, at, and for the period specified.
9. Seller has filed all federal, state, county and local income, withholding, FICA, excise, property, sales, and use, and other tax returns that are required to be filed by it, and has paid all taxes due for periods prior to the date of this Agreement. There are no facts or circumstances as of the date of this



Agreement known to Seller that might serve as the basis for the creation of liens or liabilities against the Assets being sold hereof.

10. Seller, as of Closing, shall provide good and marketable title as hereinabove agreed to all the properties, Assets, and rights to be delivered by it to Buyer free of all liens, charges, encumbrances except (1) taxes constituting a lien but not yet due and payable, (2) defects or irregularities of title or encumbrances that are not such as to interfere materially with the operation or use or materially reduce the value of any such property, asset, or right or materially affect title to the property, and (3) such other defects or irregularities of title or liens or encumbrances as Buyer may have waived in writing or as are contemplated above in Sections Three and Four and agreed to by Seller's and Buyer's execution hereby.
11. Seller has not employed any broker or agent with respect to the sale and purchase contemplated in this Agreement, nor taken any other action, nor will Seller take any such action, that would cause the Buyer to become liable for the payment of any finder's fee, broker's fee, or commission.
12. As of the Closing, Seller should hold all licenses and permits necessary or appropriate for the operation of the System, and the licenses and permits shall be current and in good standing.
13. The consummation of this Agreement does not violate any Agreement to which the Seller is subject.
14. All Assets are sold and transferred in "as is" condition as of the Date of Closing.

#### **SECTION SIX** **BUYER'S REPRESENTATIONS AND WARRANTIES**

Buyer represents, warrants to, and agrees with Seller as follows:

1. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of South Carolina and has full power to carry on its business as now being conducted.
2. The execution of this Agreement and all documents provided for in this Agreement by Buyer and its delivery to Seller have been duly authorized by

- Buyer's members, and no further action is necessary on Buyer's part to make this Agreement valid and binding on Buyer in accordance with its terms.
3. It will be in a position financially to fulfill the terms of this Agreement as of the Date of Closing.
  4. It will use its best efforts in the operation of the System so as to meet all obligations required by this Agreement.
  5. The Buyer will assume the operation of the System at Closing so as to meet all obligations required by this Agreement and those continuing after Closing.
  6. Buyer has not employed any broker or agent with respect to the sale and purchase contemplated by this Agreement, nor taken any other action, nor will Buyer take any such action, that would cause Seller to become liable for the payment of any finder's fee, broker's fee, or commission.

**SECTION SEVEN**  
**OTHER AGREEMENTS**

1. The Buyer is not assuming any liabilities in connection with the System that were incurred prior to the Date of Closing.
2. Pending Closing, the Seller shall have the sole responsibility for the operation and management of the System as a going concern.
3. The Seller shall indemnify and hold the Buyer harmless from and against any and all claims or actions which may be brought against the Buyer arising out of the ownership or operation of the System where such claims or actions related to matters occurring prior to the Date of Closing. This indemnification shall include reasonable attorney's fees and costs incurred by Buyer.
4. The Buyer shall indemnify and hold the Seller harmless from and against any and all claims or actions which may be brought against the Seller arising out of the ownership or operation of the System where such claims or actions related to matters occurring after the Date of Closing. This indemnification shall include reasonable attorney's fees and costs incurred by Seller.
5. Seller further agrees to indemnify and hold the Buyer and its successors and assigns harmless from and against any and all liabilities, claims, actions, suits, and judgments existing prior to the Closing and not expressly assumed by the

Buyer in writing, and any costs, expenses, and reasonable attorney's fees incident to same, and incurred by the Buyer in defense of same. The Buyer agrees to provide notice of any such claim to the Seller within (10) days of it being made, and to allow the Seller the right to defend the claim prior to paying it or making any claim to the Seller regarding it. This indemnification and agreement to hold the Buyer harmless shall apply to, but not be limited to, the following:

- a. All liabilities of the Seller and the System, of any kind or nature, whether accrued, absolute, contingent, or otherwise existing at or prior to the Closing Date;
  - b. Any tort liability of any kind or nature arising from a tort or legal wrong committed by Seller or its employees or agents, prior to the Date of Closing;
  - c. Any violation by Seller or Seller's agents of any laws, statutes, rules, regulations, including those related to toxic or hazardous substances, prior to the Date of Closing; and
  - d. All actions, suits, proceedings, demands, assessments, judgments, reasonable costs and expenses incident to any of the foregoing.
6. Pending the closing of this transaction, Buyer shall exercise no control over the operation of the System. The operations of Seller shall be Seller's sole responsibility up to and including the Date of Closing, or any extension of it, and all risks of loss of Seller during that time shall be borne by Seller.
7. Seller shall be responsible for the payment of all utility services, such as electricity, incurred by it with respect to the System up to the date of Closing. Buyer shall be responsible to have such utility services transferred to its name from and after the date of Closing and to be responsible for the payment of such services from and after Closing.

#### **SECTION EIGHT** **EMERGENCY BACKUP WATER SERVICE**

1. JACABB Utilities, LLC and TRRCC Utilities, LLC agree to provide reciprocal emergency backup water service as stated in the following

paragraphs. An "emergency" means a circumstance in which either Utility is unable to provide water to meet demand due to failure of equipment or a loss of system pressure and has attempted unsuccessfully to restore the operation of the system.

2. In case of an emergency, the valve that connects the two water systems will be opened by JACABB Utilities.
3. The obligation to provide emergency water is contingent upon the availability of water to serve each Utility's water needs. The water needs of the Utility providing the emergency backup service takes precedence over the needs of the Utility requesting emergency water. In addition, the delivery of emergency water will not cause the pressure in the water system of the Utility providing the emergency water to drop below the level necessary to serve its customers.
4. The Utility requesting emergency water service will call the designated representative and arrangements for connections will be made at that time.
5. The Utilities will provide emergency water backup service at no charge. Repairs to get the water system back on-line will be made as soon as possible and the water service restored and the emergency backup water service disconnected. The disconnection will be performed by JACABB Utilities.
6. Backup water service that is needed for longer than twenty (20) days will no longer be considered as an emergency.
  - a. After twenty (20) days, TRRCC Utilities will be considered a customer of JACABB Utilities and shall be charged fees, usage and all other incidental rates and charges in accordance with JACABB's rates, rules, regulations and conditions of service as approved by the South Carolina Public Utilities Commission from time to time and then in effect. An appropriate size meter will be installed by JACABB and all associated cost of the meter and installation will be the responsibility of TRRCC Utilities.
  - b. After twenty (20) days, the valve will be shut off that supplies emergency backup water to JACABB Utilities unless further negotiations are made at that time.

**SECTION NINE**  
**EXHIBITS INCORPORATED BY REFERENCE**

All exhibits referred to in this Agreement are incorporated herein by reference for all purposes.

**SECTION TEN**  
**ADDITIONAL DOCUMENTS**

The parties agree to execute all documents as may be necessary to carry out the intent and provisions of this Agreement.

**SECTION ELEVEN**  
**GENERAL**

1. Prior to the commencement of utility service for lot owners not already having water service as of the date of Closing, lot owners within the Subdivision shall be responsible for the payment to Utility of a water tap-on fee, at the rate in effect for tap-on fees at that time, which fee will have been previously approved by the PSC. Such fees, usage and all other incidental rates and charges shall be rendered by Utility in accordance with Utility's rates, rules, regulations and conditions of service as approved by the South Carolina Public Utilities Commission from time to time and then in effect.
2. No connections are to be made to the System unless approved by Utility.
3. From and after the Closing, Utility warrants and agrees that it shall provide all property owners within the Subdivision with good, adequate and customary water utility service at reasonable rates, such rates to have been approved by the PSC. Utility further warrants and represents that it shall operate, maintain and repair the System promptly and in a good and workmanlike manner and in such a manner as to not impair its ability to fulfill its obligation to provide good, adequate and customary water utility service to the Subdivision.

**SECTION TWELVE**  
**MISCELLANEOUS**

1. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or any other covenant or provision herein contained. No extension of time for

performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

2. In the event of the bringing of any action or suit by a party hereto against another party by reason of any breach of any of the covenants, agreements, or provisions on the part of any party arising out of this Agreement, then, in that event, the prevailing party shall be entitled to have and to recover of and from the other party all costs and expenses of the action or suit, including reasonable attorney's fees and any other professional fees resulting therefrom.
3. The parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation, and provision hereof and that failure to perform timely any of the terms, conditions, obligations or provisions hereof by any party shall constitute a material breach thereof and a noncurable (but waivable) default under this Agreement by the parties so failing to perform.
4. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of South Carolina. The parties expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of South Carolina.
5. The representations, warranties, rights, duties, agreements and obligations of the parties provided in this Agreement shall survive the Closing, and this Agreement shall specifically survive the Closing.
6. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
7. This Agreement can only be amended or supplemented by a written agreement signed by the parties hereto. It may not be orally modified or changed.

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**Witnesses as to Seller:**

Greg Hayes  
Print Name: Greg Hayes

Joan B. Crain  
Print Name: Joan B. Crain

Greg Hayes  
Print Name: Greg Hayes  
Richard Hall  
Print Name: Richard Hall

TRRCC Utilities, LLC

BY: Jonathan Catron  
Printed Name: Jonathan Catron  
ITS: Member

TRRCC Utilities, LLC

BY: Buddy Raper  
Printed Name: Buddy Raper  
ITS: Member

**Witnesses as to Buyer:**

Betinda Stur  
Print Name: Betinda Stur

Sheila Tinsley  
Print Name: Sheila Tinsley

JACABB Utilities, LLC

BY: Stephen R. Goldie  
Printed Name: Stephen R. Goldie  
ITS: Managing Owner

**EXHIBIT "A"**

**List of Assets of the System Being Transferred**

**Structure Asset:**

A-frame building 17' X 45' in size

**Land:**

25' perimeter around A-frame structure making plot of land approximately 67' X 95' in size, relation to center of road right-of-way, further described in property deed.

**Equipment:**

10,000 gallon storage tank

Air compressor 3 HP

100 amp panel box

Well control box Model #2821139310 Hp-5/230v

Well pump 5 HP

Check valve

Flow meter – Sensus W-160 Class II

5,434 LF of 3" Waterline

769 LF of 2" Waterline

Badger Service Meters

Miscellaneous Appurtenances